



Connecticut Center for Advanced Technology, Inc.

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Testimony of Elliot Ginsberg

Connecticut Center for Advanced Technology, Inc.

Before

Commerce Committee

March 9, 2010

Regarding

**Proposed H.B. No. 5435 - An Act Concerning the Recommendations of the Majority
Leaders' Job Growth Roundtable**

Good afternoon Senator LeBeau, Representative Berger, and members of the Commerce Committee. My name is Natalie Real, and I am the Chief Administrative Officer and appear on behalf of Elliot Ginsberg, President and Chief Executive Officer of the Connecticut Center for Advanced Technology, Inc (CCAT) which houses our Entrepreneur Center in East Hartford. As a member of the Majority Leaders' Job Growth Roundtable, Elliot would like to thank Chairmen LeBeau and Berger for their time and effort serving on this committee working to create jobs and provide for the economic future of this state. Proposed H.B. No. 5435 represents some of the group's recommendations, which, when combined with other recommendations addressing education, transportation, and energy, provides a comprehensive package for the State.

Today we speak in support of this bill, recognizing that some sections may still require greater clarification of the drafted language. Specifically, let me focus and address five sections: 1, 3, 5, 6, and 9. First, we support a threshold recommendation of the Roundtable Section 1, which provides that Connecticut Innovations shall work with a nonprofit corporation providing services



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and resources to entrepreneurs and businesses to operate a preseed funding program. CCAT supports the leadership group's recommendation of separating preseed from seed activities. This has worked successfully in other states and is seen as a best practice. In addition, CCAT supports a comprehensive capital pathway to establish, grow, maintain, and sustain high technology small businesses which represent the foundation of economic growth. I would like to point out that CCAT has worked with entrepreneurs since we were incorporated, having always recognized the important role that high tech small businesses and innovation play in the economic vitality of our State. CCAT has created incubator space for entrepreneurs working on advanced technologies, and worked to see the creation of the Connecticut Business Incubator Network, which CCAT continues to facilitate. Through our Entrepreneur Center, we provide an array of services and resources to the high tech entrepreneur. We have worked with hundreds of companies to facilitate business connections through our matchmaking, mentoring and internship programs; education and training through our seminars and webinars; and funding opportunities through the Small Business Incubator Program and strategic partnerships with regional investors, including Connecticut Innovations. In addition, we continue to leverage the utilization of our federal resources and the integration of subsidizing services through our funded laboratories in laser application, modeling and simulation, and advance machining.

Second, we again support the specific Roundtable recommendation of Section 3, which provides for tax credits for angel investors. CCAT recognizes the important role that angels have played in the growth of Connecticut's high tech small businesses. CCAT works closely with the Angel Investor Forum, because we appreciate that angel investors have been an important player in the



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preseed/seed phase of an entrepreneur's growth. We join others in believing that a tax credit will have a major impact on the number of deals made as well as the number of angels interested in investing in Connecticut's small businesses.

Third, we support Sections 5 and 6 in their intention to provide matching grants to federal Small Business Innovation Research (SBIR) grant recipients. SBIR funding can be a strategic resource for a company at any stage of development and growth; however it plays a particularly important role for high tech companies at the preseed stage. These investments are best when made as matching grants to SBIR awarded companies. As such, the language of these sections should insure that Connecticut Innovations in conjunction with the non-profit organization providing preseed services and resources are providing coordinated funds directly to the recipient companies.

Lastly, we support the Roundtable recommendation in Section 9, which provides that State dollars should strive to leverage federal resources. CCAT has a history of leveraging federal dollars to work with the State on economic development efforts. For example, CCAT has leveraged federal funds to increase productivity and top line growth for Connecticut's small to medium size manufacturers. CCAT is well positioned to continue in this regard, and, by virtue of our depth in technology leadership and synergy with our existing national and state-focused initiatives, we can bring even greater value to this effort.



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In summary, Proposed H.B. No. 5435 provides the opportunity to focus attention on innovation and entrepreneurship as an important economic development driver. We thank the Majority Leaders' Job Growth Roundtable for their efforts in this regard. CCAT looks forward to building on the success we have had working to provide services and resources to Connecticut's high tech small businesses, collaborating with the State, Connecticut Innovations and other capital investors to support the growth of this sector. We believe that this bill will serve to strengthen a critical element of technology-led economic development and raise Connecticut to be among those states that show a coherent, state-wide initiative focused on entrepreneurship as a potential job creation and growth driver. All of us at CCAT are ready to participate.

Thank you.